

An Overview of Wells County's 2009 Annual Trending

June 22, 2009

The following steps were taken to conduct the 2009 annual trending in Wells County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Wells County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. Additional re-delineation of some neighborhoods has occurred each year thereafter as further analysis indicated such action was appropriate. This includes the creation of new neighborhoods, splitting neighborhoods apart, and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments.

Step 2: Calculation of New Land Values

New land values were calculated, where warranted, for 2006, 2007 and in only limited circumstances did sales warrant new land values for 2008. For residential land rates in 2009 trending, no additional changes were made. For commercial and industrial properties, land values generally stayed consistent between January 1, 2006 and January 1, 2009; although commercial properties along State Road 1 in Bluffton were readjusted for trending in 2009, as appeals and sales data indicated changes were appropriate.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Wells County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors for a small number of neighborhoods in Wells County. The county calculated these factors based on stratified data within each neighborhood. The stratification was based on house type, and the result was that neighborhoods may experience multiple factors if different house types can be found within those neighborhoods.

Step 4: Updated Commercial & Industrial Improvement Values

As a result of annual updating land values, cost tables, and depreciation for the past three years, and given the very small sample of sales for these class types in Wells County, no further updating was done for 2009 trending. The sales that did occur when reviewed in the preliminary ratio study, met all IAAO ratio study statistical measures. As a result, no further action was taken. For vacant commercial and vacant industrial sales, valid sales from 2004 to present were included in the analysis as well as appraisal data where available. These sales were time adjusted, and are noted in the ratio study.

****Please note that the period of time from which sales were used for this ratio study was from 1/1/2007 to 12/31/2008. Every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for vacant industrial property in Wells County, even going back to 2004, only 1 sale was yielded. Additionally, the ratio**

study file contains a list of all valid sales that upon further review were found to actually be invalid. These sales are located at the bottom of each worksheet tab for each property class type.